

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 450 - SB 553

March 21, 2021

SUMMARY OF BILL: Prohibits the revocation, denial, suspension, or restriction of driver licenses and professional licenses of obligors who have been certified by the Department of Human Services (DHS) to be in noncompliance with an order of child support if the obligor has paid any portion of the obligation or is making one or more installment payments toward certain payment plans. Requires licensing authorities to reinstate licenses previously revoked, denied, suspended, or restricted due to failure to comply with a child support obligation upon payment of a reasonable fee.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$8,800/FY21-22

Increase Federal Expenditures - \$7,400/FY21-22

Other Fiscal Impact – Passage of this legislation could jeopardize up to \$79,000,000 in federal child support awards, should it be interpreted as a violation of 42 U.S.C. 666(a)(16).

Assumptions:

- Currently, all notices of non-compliance and compliance must be sent directly from DHS to the Department of Safety (DOS) electronically. Drivers are not permitted to submit their own child support compliance. This legislation would require the DOS to accept court orders presented by drivers to reinstate driver licenses for child support. To differentiate between the court order and standard child support compliance types, changes would need to be made to the contracted system.
- Based upon information provided by DOS and verified by the contractor, it is estimated to cost \$5,000 to make the necessary changes.
- There is currently no reinstatement fee or reissuance fee charged for reinstatement from child support suspensions.
- DHS utilizes the Tennessee Child Support Enforcement System (TCSES) as a child support payment, review, and reference platform. Contracted modifications will be required as a result of this legislation.
- It is estimated that the TCSES modifications will take 170 hours of labor at a cost of \$66 an hour. The one-time increase in expenditures will be \$11,220 (170 x \$66).

- Federal Child Support Enforcement dollars may be used for this purpose at a 34 percent state match rate. Of the overall expenditure of \$11,220, the increase in federal expenditures will be \$7,405 ($\$11,220 \times 66\%$) in FY21-22. The increase in state expenditures will be \$3,815 ($\$11,220 \times 34\%$).
- The total increase in state expenditures as a result of this legislation will be \$8,815 ($\$5,000 + \$3,815$) in FY21-22.
- Pursuant to 42 U.S.C. 666(a)(16), states must have in effect laws that require procedures under which the State has (and uses in appropriate cases) authority to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational and sporting licenses of individuals owing overdue support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.
- If this legislation were to be interpreted by the federal government in such a manner as to render this enforcement tool inoperative in practice, then implementation could cause the DHS to be noncompliant with this specific federal statutory program requirement, thereby jeopardizing continued federal funding upon which such state compliance is a condition. In FY19-20, the Department received \$79,000,000 in federal child support awards.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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